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DEPARTMENT OF STATE A/CDC/MR

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EXISTING MARKINGS
DECLASSIFIED October 25, 1950
DEPARTMENT OF STATE
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To: Mr. Merchant
From: Mr. Allison
Subject: Formosa.

Bureau of
FAR EASTERN AFFAIRS
OCT 26 1950
ASSISTANT SECRETARY
Department of State

WHS - you
may already
have seen a
copy of this.
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Herewith three copies of a memorandum on Formosa prepared by Mr. Dulles to explain in more detail his ideas regarding possible handling of the matter in the General Assembly. Please have these shown to the proper person in the Department in connection with the preparation of the Formosan position paper.

We hope that the Department's final instructions on Formosa can be received within the next few days as the Formosan item will probably come up within two weeks and we believe it necessary to do considerable spade work with other Delegations before it actually comes up for discussion.

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October 25, 1950

MEMORANDUM ON FORMOSA

Formosa is, and for many years has been, an island territory whose people, now about 8,000,000 in number, "have not yet attained a full measure of self-government" (Art. 73). It is at present in process of detachment from Japan and is administered de facto by the Nationalist Government of China, which has been in authority since the Japanese forces in Formosa were instructed to "surrender to Generalissimo Chiang Kai-shek" by SCAP General Order No 1 dated September 2, 1945. During the preceding 50 years (1895-1945) Formosa was a Japanese colony. During the preceding eight years (1886-1894), it was a Chinese province. During the preceding 300 years the coastal areas were subject to military rule of various countries, principally China, but also including Japan, France and The Netherlands, which latter exercised some authority there for about 150 years. [Prior to 1515, and at brief intervals thereafter, there was independence or revolt.]

At the Cairo Conference in November, 1943, President Roosevelt, Generalissimo Chiang Kai-shek and Prime Minister Churchill stated that "it is their purpose *** that all the

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territory Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China."

At Potsdam, July 26, 1945, the President of the United States, the President of the National Government of the Republic of China, the Prime Minister of Great Britain, in a proclamation defining the terms for the Japanese surrender said, "The terms of the Cairo Declaration shall be carried out." The Soviet Union subsequently adhered to this proclamation.

Thereafter, all the parties to the Cairo and Potsdam decisions became Members of the United Nations and signed and ratified the Charter. Article 73 of that Charter provides that "Members of the United Nations which have or assume responsibilities for the administration of territories whose people have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost *** the well-being of the inhabitants" in accordance with the principles laid down in that Article.

The United States is now taking the initiative in seeking to negotiate a Japanese Peace Treaty which may provide the juridical basis for a future non-Japanese administration of Formosa. As such the

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United States has responsibility which it desires to discharge in accordance with the principles of the Charter.

Indeed, it is required to do so because Article 105 provides that the provisions of the Charter shall prevail over any inconsistent prior obligations.

Article 73 requires, among other things, that any disposition of non-self-governing people should:

- (a) Take account of the political aspirations of the people;
- (b) Promote their economic advancement; and
- (c) Further international peace and security.

The United States believes that these Charter provisions raise the following questions:

1. Is there any "conflict" (Art. 105) between the provisions of the Charter requiring the Members to take account of the political aspirations of the people and the prior (1943) Declaration of Cairo, confirmed at Potsdam (1945) stating the then purpose to restore Formosa to China?

It could be assumed, in 1943, that the Formosans would want political integration with post-war China. However, the political developments within China have been quite different from what was anticipated in 1943 or 1945. One measure of that change is the fact that the Soviet Union, in making its 20 year treaty of friendship with China at Moscow

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in July, 1945, undertook that its "moral support and aid" would be "entirely given to the National Government as the central government of China". It is obviously the position of the Soviet Government that changed conditions in China relieve it of that solemn obligation. It is possible that those same changes have altered the wishes of the inhabitants of Formosa so that a course which might subject them to the rule of a communist type "dictatorship of the proletariat" would not respond to "the political aspirations of the people".

The United States does not repudiate the Cairo and Potsdam decisions, but it does consider that their binding character has been affected by changed conditions and particularly by the obligations of the Charter. In this connection, it believes that it is appropriate for the Assembly to establish a Commission to ascertain whether, and if so how, the purpose of the Cairo Declaration could be carried out consistently with Article 75 of the United Nations Charter.

2. If it is found that, consistently with the Charter, Formosa can be ceded by Japan to China, should this cession be unconditional or should treaty conditions be attached to assure the Formosans a degree of autonomy and self-government?

Over the past century there have been repeated manifestations of the aspirations of the Formosan people for self-government. These have been repressed only after bloody struggles. It may be that any transfer of sovereignty to

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China should seek to respect these aspirations:

In the case of the prospective cession of Eritrea, a former Italian colony, to Ethiopia, in pursuance of the Italian Peace Treaty, the Assembly is considering attaching conditions to assure local autonomy within a federal structure. The United States believes that, in the case of Formosa, the desirability and feasibility of local autonomy could also usefully be explored.

3. If Formosa is to be ceded by Japan to China should conditions be attached to assure continuance of long-established trade with Japan?

The economy of Formosa has been tied into that of Japan for the last 55 years. There has been a large and mutually advantageous exchange of goods, as the two economies are complementary. The United States believes that any substantial or sudden disruption of this economic exchange would seriously affect the welfare of both Japan and Formosa and would be detrimental to the economic welfare of the people of Formosa.

4. If Formosa is to be ceded by Japan to China, are there conditions which should be attached to assure that this will further international peace and security?

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Formosa is a sensitive area, so located as to have important strategic value in relation both to the mainland and to other islands of the Pacific. The Japanese showed this in World War II. It is at a focal point and could, if militarized, dominate areas of interest to everyone of the Permanent Members of the Security Council. No one of the so-called "Great Powers" would willingly see Formosa made a military base by any other.

Many fear that Formosa will become a pawn of "Great Power" politics in the Pacific and Asia and that the welfare of its people will be subordinated to strategic considerations. The people might even be involved in a war in which they had no concern and where they would be innocent victims. Controversy about Formosa could, indeed, set off a general war in the Pacific and Asiatic area.

In view of the Charter requirement that non-self-governing territories should be dealt with in such a way as "to further international peace and security", consideration should be given as to the possibility of an effective neutralization of Formosa under the auspices of the United Nations, so that it could not be used in a manner which would disturb international peace and security in the area.

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5. It should also be noted that Formosa is eligible for the International Trusteeship System under Article 77 which applies to "territories which may be detached from enemy states as a result of the Second World War". In view of the present disturbances and future uncertainties in the area, trusteeship might be considered as an interim solution.

It would seem that the foregoing matters are properly a concern by the United Nations General Assembly since at least some, and perhaps all, of the victors over Japan would be willing to accept General Assembly recommendations in these respects just as they accepted those recommendations in relation to the former Italian colonies.

If this view is adopted by the General Assembly, it would presumably require study by a Commission and it might require immediate measures to maintain a peaceful status quo. These measures would presumably involve a call upon the Nationalist Government, now in Formosa, and the Communist regime on the mainland, to refrain from the use of violence which would make Formosa and the Formosan people as a base, or object, of armed attack. It might be appropriate for the Peace Observation Commission immediately to send an observation team to Formosa and, if acceptable, to the adjacent mainland. They would presumably report to the Security Council if it seemed that there was likely to be a breach of the peace which would be a matter of international concern.

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OFFICE OF CHINESE AFFAIRS
OCT 30 1950

DEPARTMENT OF STATE

Memorandum of Conversation

October 27, 1950

Participants: H. E. Dr. Tingfu F. Tsiang, China
Mr. John Foster Dulles, U.S.A.
Mr. John M. Allison, U.S.A.

Subject: Formosa

Dr. Tsiang called, pursuant to appointment, to discuss with us the question of Formosa. He said that he was concerned lest our policy of asking the U.N. to send a Commission to Formosa on the theory that it was still a matter of international concern would weaken the Nationalist Government in two important respects: First, it would tend to increase the impression that the Nationalist Government was a "government-in-exile" and this might lead certain wavering nations to withdraw recognition; Second, it would curtail the possibility of the Nationalist Government actively conducting and promoting resistance to the Communists on the mainland.

Mr. Dulles pointed out that he believed that the policy of non-recognition of the Communist regime depended more upon disqualification of that regime to speak for the Chinese people than upon the ability of the Nationalist Government now to do so, and that the disqualification of the Communist regime as a regime which really carried out the wishes of the Kremlin rather than of the Chinese people would not, in any way, be altered by treating Formosa as still subject to treaty or U.N. action. Dr. Tsiang said he recognized the logic of this position but that as a practical matter he felt that certain countries that were looking for an excuse to recognize the Chinese Communists might seize upon the Assembly action as giving them a pretext for doing so.

As regards the second point, Dr. Tsiang said that the Nationalist Government was not satisfied with a future whereby it might, perhaps, languish on Formosa. The future of any Chinese Government was essentially on the mainland, and he believed that there was a rising tide of opposition to the Communists there, and that it was by no means impossible that there would be large scale revolts and eventually that the Communist regime would lose control. The Nationalist Government would not want to be prevented from promoting this result. It would then be condemned to slow death.

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Mr. Dulles said that he thought it must be recognized that any international concern for Formosa would probably make it impractical for the National Government to carry on actual warfare against the mainland or to launch expeditions against the mainland. It would not, he thought, necessarily prevent propaganda and covert activities, and the giving of certain guiding directions, but that active military operations might be out of the question.

Dr. Tsiang said that he wishes very much that the United States would keep an open mind as to the possibility of helping the Chinese Nationalists regain control of the mainland. He did not think this would be as difficult an operation as it seemed, because really the Chinese Communist armies were not a very effective fighting force. They had defeated the Nationalist armies, but that was largely a question of morale and the bad effect of inflation.

Mr. Dulles said that he considered this possibility present, out of the question as he understood that it was the clear judgment of our military authorities that the United States should not engage itself on mainland operations. We had done so exceptionally in the matter of Korea and had taken some serious risks, but Korea as a narrow peninsula could largely be dominated by sea and air power, and that permitted the amphibious operations which had won success. We were not, however, willing to engage in what would virtually be a war against those controlling the Chinese mainland.

Mr. Tsiang indicated that he thought that if Russian help to the Communists could be prevented, then the Communists could be overthrown without the United States becoming engaged, and he wondered whether the United Nations could do anything in this respect. Mr. Dulles stated that he felt that any attempt in this direction would react against the Nationalists as the United States would, of course, have to cut off all military aid to the Nationalists where it would be impossible to expect, or to verify, Soviet Union compliance with any such U.N. request.

Dr. Tsiang said that he felt he had to agree with this conclusion. Also he accepted the fact that the United States would not now adopt a course which would commit it to participation in fighting against the Communists on the Chinese mainland.

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